

SECRET

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GOVERNMENT OF INDIA

REPORT

OF THE

**SECRETARIAT REORGANIZATION
COMMITTEE**

1947

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No. 38/PA/47

HOME DEPARTMENT (INDIA)

New Delhi, the 19th July 1947

OFFICE MEMORANDUM

The undersigned is directed to state that it has been decided to set up a Committee to examine and make recommendations regarding the activities of the India departments of the Central Government on relation to the personnel available for conducting those activities consequent on the loss of personnel through partition and the retirement of European officers of the Secretary of State's Services with the following composition:—

Chairman.

Sir Girja Shankar Bajpai, I.C.S.

Members.

Mr. R. N. Banerjee, I.C.S.

Mr. H. M. Patel, I.C.S.

Mr. V. K. R. Menon, I.C.S.

Mr. R. L. Gupta, I.C.S.

Secretary.

Mr. P. V. R. Rao, I.C.S.

2. The terms of reference of the Committee will be:—

To examine the functions of the existing departments of the Government with special reference to relative priority and necessity of their activities and to make recommendations as to

(1) the re-organisation of departments taking into account—

(a) the directions in which work as, for example, programmes of development, must go ahead with full speed,

(b) the directions in which it may be possible to accept a more modest programme of development without materially affecting the main objective, and

(c) the directions in which activities can be curtailed without any serious effect on the general wellbeing of the State and the efficiency of the administrations,

(2) the allocation among the reorganised India departments of Government all the available personnel with a view to their utilisation to the utmost advantage of the State, and

(3) the measures necessary to make good any deficiency or to absorb any surplus of manpower that may result.

3. The Committee will be required to complete its task and submit its report by the 31st July, 1947.

4. The report will thereafter be considered by a Sub-committee of the Cabinet and orders passed before the 15th August.

P. V. R. RAO,
Joint Secy. to the Govt. of India.

To

All Departments of Government of India.

Messrs. S. A. Venkataraman, I.C.S., N. Sunderasan and P. C. Bhattacharyya were co-opted as members of the Committee.

I. THE PROBLEM OF SHORTAGES

The Indian Civil Service has been the main source of supply of officers required for high administrative and Secretariat appointments, both by the Central Government and the Provincial Governments. The cadre of that Service, which was fixed at 1064 in 1939, was designed to provide a number of trained officers with administrative experience just sufficient to man the then existing superior administrative and Secretariat posts under the Central and Provincial Governments. With the outbreak of the war, the demands on the Service rose rapidly. These were met partly by restriction on leave and partly by limiting retirements. As the war became prolonged and the country became increasingly subject to its strains and stresses, the need for experienced officers to strengthen the administrative machine so as to enable it to handle the various economic and social problems that arose continued to increase, particularly at the Centre. The Provinces were increasingly unable to meet the demands for officers made on them. As early as 1942, the Government of India were forced to make a determined effort to explore the possibilities of alternative sources of recruitment and a number of posts that would have been ordinarily filled by Indian Civil Service officers were filled by officers drawn from various Central Services, particularly the Indian Audit and Accounts Service, or by recruitment from the open market. This process was further accentuated when the Central Government was compelled to return a number of Indian Civil Service officers to the Provinces of Bengal and Madras which were faced with a critical food situation. Even so, at the end of the war, out of a total of about 1,000 Indian Civil Service officers, the Central Government were employing 240 or nearly twice as many as they were strictly entitled to.

2. The termination of the control of the Secretary of State over the Service, coupled with its partition following the division of the country, will reduce the number of officers available to the Indian Dominion to 410 approximately. Of these, about 40 officers may be expected to continue on the judicial side. Recruitment to the Indian Civil Service was suspended from the year 1943 and has now been abandoned. The first batch of recruits to the All-India Administrative Service, which has been constituted to replace the Indian Civil Service, have already joined and are undergoing training, but it will be some years before they become fit to hold superior administrative posts.

3. The partition of India should result in some diminution in the number of posts previously held by members of the Indian Civil Service. It should also not be very difficult to replace some Indian Civil Service officers holding judicial posts by persons drawn from the Bar, but this will be possible only in respect of those officers whose judicial experience has not made them too specialised. After making allowance for these considerations, governments in India, both Central and Provincial, will still be faced with the problem of staffing with about one-third of the cadre, all the posts for which the cadre was intended. If the available officers are divided proportionately between the Centre and the Provinces, the Government of India will be entitled to retain 48 officers only out of 105 that will be left after those opting for Pakistan have joined Pakistan and those applying for retirement—all but three of whom are Europeans—have retired. As against this there are 207 posts of grade of Deputy Secretary and above besides a number of posts of corresponding status outside the Secretariat whose precise numbers we have been unable to ascertain in the time at our disposal but which we might well reckon up to 125.

4. The other sources of supply normally open to the Government of India are the Central Services, Class I. Their strength, though probably sufficient for the discharge of their ordinary functions, has also suffered diminution by

reason of the demand to fill administrative posts which would have been otherwise filled from the Indian Civil Service and to a less extent by some members of the Services opting for Pakistan.

II. THE SCOPE OF CENTRAL RESPONSIBILITY

5. The Committee's terms of reference—paragraph 2(1) (a) and (b), require it to take into account the possibilities of acceleration of certain programmes of development and the moderation or even retardation of other activities. A detailed examination of such possibilities could not have been usefully accomplished without a careful scrutiny, with the aid of the Departmental officers concerned, of the activities, actual as well as contemplated, of the various Departments of Government. For this, the Committee did not have the time. All that was possible was a general assessment of the possibilities of going "full steam ahead" in some directions and of maintaining or reducing the present pace in others. Outside Defence, which, owing to the conditions created by partition, still presents an undeveloped picture, the Committee tried to make a general estimate of the present activities of all the other Departments. The new Federal Centre aims at strength; it cannot be strong unless it is also vigorous in action. Over the whole social and economic field, the people, and their representatives, whether in the Centre or in the Provinces, eagerly await dynamic movement rather than static inertia. It is difficult, therefore, to foresee how, over the whole field of State activity, there can be any reduction which would, in any significant measure, reduce the demand for trained man-power. Education, Health, Agriculture, to name a few subjects, which are constitutionally classed as "Provincial", have ceased to be treated, in any progressive country possessing a federal constitution, as matters of purely provincial concern. They present many national problems which admit of a satisfactory solution only on the basis of an active partnership between the Federal and "Provincial" or "State" Governments. Any other conception of the relationship of the Centre and the Provinces in the new India would be retrograde. The Committee cannot envisage it for itself, much less can it recommend it to Government. How priority shall be determined as between education, for example, and industrial development is an issue of high policy which Government alone can decide after a careful review of national resources, of which trained man-power is only one though an important element, and popular demand. The Committee can do no better than to state its agreement with the following remarks of the Advisory Planning Board:—

"As regards priorities, there is not, in our opinion, very much new to be said. It is agreed that there has to be a simultaneous advance in all important fields, and though at different times there may have to be greater concentration on some rather than others and in all of them the emphasis in the initial stages must be on increased production, there can be no question of exclusive preference. Thus the development of both Agriculture and Industry, the extension of Irrigation, the increase of Electric Power and of the production of Coal, the improvement of Communications, and the raising of the level of Education, Public Health and Social Security must all claim a share of our energies and resources. All of these, it may be noted, require in a greater or less degree an increase in the supply of trained personnel and for the present this may be regarded as Priority No. 1".

6. One new responsibility, which is an inescapable concomitant of independence, is the establishment of diplomatic relations with foreign countries. For no country is the initiation of such relations a luxury; only their territorial scope can vary with the political, the strategic and the commercial

importance of the country in the community of nations. India cannot escape the international obligations imposed by her size, her situation, her cultural and religious heritage. She cannot isolate herself from the rest of the world except to her own disadvantage, in the present state of international tension, even at her peril. To establish Indian Missions in Peru or Guatemala might be a luxury, to do so in the great capitals of the world, in the smaller countries of Western Europe with which India already has an important trade and has prospects of improving that trade, with the great belt of Islamic countries in the Middle East to which more than 40 million of India's nationals are allied by religious and cultural affinity, with limitrophe countries such as Nepal and Tibet, with countries in East and South-East Asia such as Burma, Siam, Indo-China and Indonesia which look to India for leadership or whose stability and orderly development are essential to her own security is an obligation the fulfilment of which cannot be indefinitely delayed. This new responsibility must claim some contribution in man-power from India's administrative Services; without an infusion of a trained element into the Foreign Service, the requisite minimum of efficiency will be impossible to ensure. In the section of this report devoted to the External Affairs Department we give details of the posts which must be held by members of the Services. The total is 33 and excludes Headships of Missions to which, with rare exceptions, persons drawn from public life will be appointed. This number will be spread over 22 countries. With one or two exceptions, it allows for one Service man for each Mission; the other posts will have to be filled from non-officials selected by the Federal Public Service Commission.

7. Trade Commissioners abroad will, hereafter, form part of the Foreign Service. The Commerce Department estimate their minimum requirement at 11.

8. The Home Department is in general administrative control of the Chief Commissioners' Provinces of Delhi, Ajmer-Merwara, Coorg, the Andamans and Panth Piploda. For the administration of these Provinces, the Government of India will need four Chief Commissioners, three Deputy Commissioners and seven other junior officers; the possession, by all these officers, of administrative experience is an absolute necessity.

9. In addition, there are two new kinds of demand (a) for appointment as Private Secretaries to Hon'ble Members and (b) for attendance at international conferences, which, in the aggregate, involves the continuous absence of a number of officers.

III. SOURCES OF MAN-POWER

10. The following sources of recruitment suggest themselves for the higher administrative and Secretariat posts under the Central Government:—

- (a). The Indian Civil Service.
- (b) Provincial Civil Services.
- (c) Central Services, Class I.
- (d) The Finance and Commerce Pool.
- (e) The Imperial Secretariat Service.
- (f) Retired Officers.
- (g) Temporary employees recruited by Government during the war.
- (h) Direct recruitment from the open market (including the General Administrative Reserve).

The All-India Administrative Service does not, by reason of its infancy, constitute a source of man-power to meet the present shortage.

11. (a) *The Indian Civil Service.*—The Indian Civil Service officer, both because of his education and the training in administration he receives in the formative stages of his career, must continue to remain an important source of recruitment for the higher administrative and Secretariat posts. But, as pointed out elsewhere, the Central Government has already in its employ 105 officers against its quota of 48 officers. The Provinces have also been hard hit by the departure of European and Muslim officers and many of them have been persistently demanding the return of some of their officers. It would, therefore not be safe to rely on getting any additional officers for service under the Central Government from this source. Indeed, it may become necessary to return some officers to those Provinces which are themselves sorely in need of senior officers to staff their top ranking posts.

(b) *Provincial Civil Services.*—Provincial Service officers obtain the same type of administrative training as officers of the Indian Civil Service. But generally speaking, they do not possess the same educational qualifications and normally attain positions of responsibility at a comparatively later age than Indian Civil Service officers. There are, however, exceptions, particularly in those Provinces which make direct recruitment to these Services; these officers have as good an educational foundation as Indian Civil Service officers and are in no way inferior to them. In the past, the Central Government did not ask for the services of Provincial Service officers because appointments to higher posts were generally restricted to Indian Civil Service officers who had served in inferior posts at the Centre and had made their mark; Provincial Service officers, because of the comparatively late age at which they attained positions of responsibility, were rarely drafted to posts of Under Secretary which provided the necessary training for the higher posts. With the increasing demand for Indian Civil Service officers at the Centre during the war, Provincial Governments were forced to draw more and more on their Provincial Services. The position has therefore changed to some extent. Promotion in the Provincial Services has been comparatively rapid and younger men should be available for service at the Centre in positions which would provide opportunity to gain experience for higher posts. Whether the Centre draws officers from the Indian Civil Service cadre of a Province or on its Provincial Service, the Provincial Government loses equally in administrative man-power. But a demand for Indian Civil Service officers only may deplete Provincial cadres so much that a Province may not be left with sufficient senior officers to man the key administrative posts in the Province. The Provincial Civil Services must, therefore, be used as a complementary source of man-power for the Centre.

(c) *Central Services, Class I.*—The officers of the Central Services, Class I, are recruited after a stiff competitive test which ensures an adequate educational foundation. They are trained in work which concerns the Central Government directly. The technical knowledge that they thus obtain qualifies them for work in the Secretariat, particularly in certain Departments. The Government of India have already drawn heavily on these Services for both Secretariat and administrative appointments during the war. But there is still some possibility of recruitment from this source, especially from the Indian Audit and Accounts Service, if certain changes which we recommend later are carried out.

(d) *Finance and Commerce Pool.*—This Pool consists of selected officers of the Indian Civil Service and certain Central Services, Class I, numbering in all forty-seven. At present members of the 'Pool' are normally appointed to posts in the Finance and Commerce Departments only. During the war, this practice was changed and 'pool' officers were appointed to other Departments

as well. The experiment was a success. In the present situation of extreme shortage of man-power, the 'Pool' can legitimately be regarded as a source of supply of trained personnel to other Departments of Government.

(e) *The Imperial Secretariat Service*.—The Maxwell Committee remarked that the Imperial Secretariat Service had rarely thrown up persons of the right type for appointment to the officers' grade. The Committee suggested certain improvements in the method of recruitment to the Assistants' grade and recommended that selected persons from the Service should be provided opportunities of promotion to higher appointments in the Central Services or other miscellaneous administrative posts, so that persons of proved ability from the Service might later on, be appointed to higher Secretariat posts. Unfortunately, the scheme was never given a fair trial. Many members of the Imperial Secretariat Service were, however, appointed to posts of Under/ Assistant Secretary or other administrative posts during the war and did well. This source of recruitment, especially to Junior posts, is important.

(f) *Retired Officers*.—We are informed that the Home Department of the Government of India invited applications from retired officials who had held senior administrative posts and were willing to accept re-employment. The applications received have been scrutinised by the Establishment Officer in consultation with the Chairman, Federal Public Service Commission and the number of applicants considered *prima facie* suitable for appointment is 57. It is unlikely, however, that the Selection Board will pass more than a dozen as suitable for employment at the Centre.

(g) *Temporary employees recruited by Government during the war*.—During the war, many Departments of Government made *ad hoc* recruitment from the open market. Many of us have had personal experience of the work of these officers. Some of them possess good educational qualifications and, with the experience acquired in administrative posts during the war, they constitute a valuable reinforcement to the man-power resources of Government. The Home Department have already invited recommendations from Departments regarding persons considered suitable for appointment to various grades under the Government of India. This source is expected to provide about 5 officers of the grade of Deputy Secretary, 40 officers of the grade of Under Secretary and 60 officers of the grade of Superintendent.

(h) *Direct recruitment from the open market*:—

(i) *General Administrative Reserve*.—We understand that Government have already explored the possibility of recruitment from the open market to Secretariat posts in the year 1946 and about 40 persons considered suitable for appointment as Under Secretary were offered appointment in the General Administrative Reserve. Recruitment to the Reserve from among applicants from the Armed Forces is not yet complete. If selected candidates are appointed on probation for a period of six months, during which period they are trained in posts of Under Secretary it should be possible to get at least 20 officers fit for appointment as Under Secretaries from this source.

(ii) *Candidates who obtained a high rank in the Indian Civil Service and Indian Audit and Accounts Service examinations*.—The Home Department have also collected particulars of candidates who obtained a high rank in the competitive examinations for recruitment to the Indian Civil Service and the Indian Audit and Accounts and allied Services from the year 1938 onwards. These candidates have a good educational background. Some of them have also obtained, subsequent to their appearance at examinations, experience that is likely to prove very useful. We think

that this source may yield a number of persons who will, after some training, become good Under Secretaries or new-type Superintendents.

12. The Committee estimate the number of officers for filling posts of the grade of Deputy Secretary and above Government may be able to get from the various sources as follows:—

| | |
|--|-----|
| (a) The Indian Civil Service | 100 |
| (b) Provincial Civil Services | 10 |
| (c) Central Services, Class I | 75 |
| (d) The Imperial Secretariat Service | 5 |
| (e) Retired officers | 15 |
| (f) Temporary employees | 5 |
| (g) Direct recruitment | Nil |
| (h) Finance and Commerce 'Pool' (These officers are included in items (a), (b) and (c) above | Nil |
| | 210 |

IV. REMEDIES

13. These fall into 3 categories—

- (1) Reduction or holding in abeyance of certain posts in the Departments of the Government of India.
- (2) Better utilisation of the sources of man-power mentioned in (b), (c) (d), (e), (f), (g) and (h) of Chapter III of our Report.
- (3) Improvement of methods of work in the Secretariat.

Reduction or holding in abeyance of posts

14. Our recommendations in this behalf are explained in the appendix to this Report. They have been formulated after consultation with the Secretaries of the Departments concerned though not, in all cases, with their consent. In our opinion, they impose on each Department an equal measure of sacrifice to meet what is a common emergency though it may not appear so in an isolated and purely Departmental perspective. The saving in man-power, if the proposals are accepted, will be as shown below (some of these posts are now vacant);—

| Departments | Secretary | Additional or Joint Secretary | Deputy Secretary | Under Secretary |
|--|-----------|-------------------------------------|---------------------|--------------------|
| Agriculture | ... | ... | ... | ... |
| Cabinet Secretariat | ... | ... | ... | 1 |
| Commerce | ... | 3 | 3 | 1 |
| Communications and Transport | 1 | ... | 2 | 5 |
| Defence | ... | ... | ... | ... |
| Education | ... | ... | ... | ... |
| Health | ... | 1 | ... | ... |

| Departments | Secretary | Additional or Joint Secretary | Deputy Secretary | Under Secretary |
|--|-----------|-------------------------------------|---------------------|--------------------|
| External Affairs and Commonwealth Relations. | 1 | ... | 5 | 16 |
| Finance | 1 | 1 | 12 | 10 |
| Central Board of Revenue . . . | 1 | | ... | ... |
| Food | ... | 4 | 4 | 1 |
| Home [including Secretariat of the Governor-General (Public)]. | 1 | 1 | 2 | ... |
| Information and Broadcasting . . . | ... | ... | 1 | 1 |
| Industries and Supplies . . . | ... | 1 | 3 | 7 |
| Labour | ... | ... | 1 | 4 |
| Legislative | ... | ... | ... | ... |
| Legislative Assembly | ... | ... | ... | ... |
| States | ... | ... | 1 | 1 |
| Works, Mines and Power . . . | ... | ... | ... | ... |
| Secretariat of the Governor-General (Reforms). | 1 | ... | ... | 2 |
| Total | 6 | 10 | 34 | 47 |

* New post.

In one case, viz., the Department of Communications, we have suggested amalgamation with the Department of Transport. We have done this after full consideration of the activities, actual and potential of both the Department of Communications and the Department of Transport. Administratively, our proposals appear to be feasible. That the saving of man-power thus effected will be limited to one officer of the grade of Secretary and seven of the grade of Deputy and Under Secretaries will, in our judgment, not be the correct criterion for appraising its merit. In some other Departments the saving resulting from our proposals is no greater. If the smallness of saving in an individual Department were an argument for not effecting it, the cumulative effect of such exceptions will be to reduce the total saving considerably. We recognise that political considerations may militate against the Departmental amalgamation which we have recommended; such considerations are however outside our purview.

We have not made any proposals regarding the posts in the Defence, the Legislative and the Legislative Assembly Departments. The future structure of the Defence Department is still very uncertain. The Legislative and the Legislative Assembly Departments do not draw on officers with general administrative experience. The Constituent Assembly Secretariat is however employing three Indian Civil Service officers. After the 15th August, 1947, the Legislative Assembly Secretariat will merge in the Constituent Assembly Secretariat and the Committee feel that it should then be possible to release at least two of the Indian Civil Service officers now employed in the Constituent Assembly Secretariat.

Better utilisation of the sources of man-power

15. As regards the Provincial Civil Services, we understand that a selection of officers from these Services is being made in each Province by *ad hoc* Committees consisting of representatives of the Federal Public Service Commission, the Provincial Government and the Provincial Public Service Commission with a view to arranging, in order of merit, officers considered fit for appointment to superior administrative posts. We recommend that, wherever possible, the Central Government should be prepared to accept a number of officers from amongst those selected by this method. At least some among them should be suitable for appointment to posts in the Secretariat.

16. We would make the same recommendation as regards retired officers and temporary employees whom the Government of India recruited during the war. For the temporary employees, a process of selection will be necessary; this will have to be done in consultation with the Federal Public Service Commission. Allocation of the selected candidates to the Departments should be done by the Selection Board which will make the preliminary choice of officers from the Indian Civil Service and other Services for appointment to posts in the Secretariat.

17. Of the Central Services, Class I, the Indian Audit and Accounts Service is the senior. As might be expected from the very high standard of qualifications required for admission to this Service, admission to which is normally by competitive examination, it has contributed officers of distinction to several administrative departments of the Government of India.

18. Next to the Indian Civil Service, we regard the Indian Audit and Accounts Service as the most fruitful source of supply of competent man-power. As at present organized, the Service cannot furnish, to the common administrative pool, more officers than it has done already. We, therefore, sought the advice of the Auditor-General, the Financial Commissioner of Railways and the Financial Adviser, Military Finance, on the possibility of some reorganization of the normal functions of the Service with a view to obtaining more officers for employment in administrative posts, primarily in the Secretariat. At present, the Audit and Accounts Sections in the Railway Department and the Defence Department are separate, though in all other Departments of Government they are combined. The Audit and Accounts sections in the Railways were separated in the year 1929, mainly on the ground that a commercial Department like the Railway Department should have complete control, over its own accounts establishment. We note, in passing, that this system of separation of the Accounts and Audit functions has not been extended to the other big commercial Department, namely, the Posts and Telegraphs Department. We have consulted the Financial Commissioner, Railways, and the Auditor-General of India regarding the possibility of amalgamation of these two Sections, so that officers may be made available for general administrative appointments. The Financial Commissioner, Railways, is opposed to the amalgamation on the ground that as the Railway Accounts officers act also as Financial Advisers to the Railway administration, it would be inappropriate, particularly at the present juncture when the Railways are faced with several complex financial problems, to effect a reorganization which would deprive the Railways of expert financial advice. The Auditor-General, on the other hand, expressed his willingness to take over responsibility for Railway accounts. In his opinion, all the benefits expected from the separation of Railway Audit and Accounts have not materialised and, in view of the grave shortage of man-power, reversion to the old arrangement could be tried. If this change were effected, the Auditor-General estimated that he could release 15 officers for service in other Departments. In the present emergency, we strongly recommend the change.

19. The Financial Adviser, Military Finance, has agreed to place the Military Accountant-General's organization under the Auditor-General. It should be possible with this change for the Auditor-General to release a few more officers for service elsewhere.

20. We also recommend that the existing emergency cadres of the Indian Audit and Accounts Service and the superior establishment of the Military Accounts Department should be continued in order to release senior officers these Services belonging to the regular establishment for appointment elsewhere.

21. We have already recommended that the 'Pool' can legitimately be regarded as a source of supply of trained personnel to other Departments of Government. We also recommend that appointment to posts hitherto reserved for 'pool' officers should no longer be restricted to such officers but should be thrown open to other qualified officers. In the present stringency of man-power, this will be a more flexible arrangement.

22. We will also refer to paragraph 11 (e) and (h) of this Report where we have indicated possibilities of recruitment from the Imperial Secretariat Service and from the open market. We would recommend that, to the extent indicated in that paragraph, these two sources of man-power should be also utilised.

23. At present many Honourable Members of Cabinet are employing comparatively senior officers of the grade of Deputy Secretary as Private Secretaries. In view of the complete Indianization of the Secretariat and the closer co-operation between the Secretariat of each Department and the Honourable Member which this change should ensure, we suggest for the consideration of Government that posts of Private Secretary should be filled by comparatively junior officers and not officers of the grade of Deputy Secretary. This will release a considerable number of officers for administrative duties. When the man-power situation improves, the matter can be reviewed.

Improvement of methods of working in Departments

24. The existing system suffers mainly from three defects:—

- (i) In spite of the Rules of Secretariat Procedure, Officers seldom give guidance to the office when they send down a paper for consideration.
- (ii) There is a multiplicity of officers in a vertical line through whom a file has to pass before final orders are given. An examination of the Administrative Directory of the Government of India will show how frequently the following type of entry occurs—

Item By—Assistant Secretary, Under Secretary; Through—Under Secretary, Deputy Secretary; To—Secretary/Joint Secretary.

This not only delays the disposal of cases but lowers the sense of responsibility in the junior ranks.

- (iii) There is a preponderance of inexperienced and untrained staff in the ministerial grades with the result that in spite of the delay which results from a file being sent to office the senior officers have to do a considerable amount of the work which should be done in office.

25. It is suggested that a system on the following lines should be adopted:—

- (i) The items of work in each Department should be carefully scrutinised with reference to the number of important policy questions arising from day to day and should be allotted by the Secretary of the Department to officers of the status of Deputy Secretary or Under Secretary each of whom would be in charge of a number of sections. Except in cases which must go to higher officers either because an agreed decision cannot be arrived at at the lower level or because the case from its intrinsic importance requires orders of the Secretary or the Honourable Member, the officer to whom the item is

allotted should pass final orders on all cases. Even in cases where reference to higher authority is essential it should be the responsibility of the officer concerned to see that final orders are passed without avoidable delay. Between the officer-in-charge of a group of sections and the Honourable Member there should be no more than one intervening officer who should appropriately be either the Secretary or Joint Secretary. Except in cases which specifically require the orders of the Honourable Member, the initiating officer will obtain the orders of the Secretary or Joint Secretary, where necessary, orally after discussion, and should not put up a file as such unless specifically asked to do so. In cases where the Honourable Member's orders are necessary, he must put up a brief summary of the case to assist the Secretary or Joint Secretary in obtaining Honourable Member's orders.

- (ii) It will be necessary for the Secretary of a Department to keep in touch with the work of the Department as a whole and to co-ordinate it. This should be done by the Secretary holding a daily or bi-weekly meeting of all officers in charge of sections. This method worked most successfully in a number of Departments during the war.
- (iii) The routine work of each Department is at present invariably allotted to and disposed of by an Assistant or Under Secretary. This involves waste of man-power. It is necessary to evolve a type of 'Superintendent' (who might be called 'Principal') who could be entrusted with the final disposal of such routine work. The 'dak' of the Department should be initially distributed by an officer of the grade of 'Principal' to officers in charge of sections who, when they are unable to give directions themselves, will take the relevant paper to the initiating officer for his directions. Where that officer thinks that instructions from a higher officer are necessary, he will take the case personally to that officer and obtain orders.
- (iv) Whenever interdepartmental consultation is necessary, this should be done, as far as possible, by discussion. Where a written reference is necessary, this should be made not by passing the file but by an office memorandum or a demi-official letter. This will help the officer originating a reference to clear his own ideas and to present to the Department whose advice or concurrence is needed, a precise statement of the point on which concurrence or advice is sought.

26. These proposals will throw more work on the Deputy or Under Secretary in charge of a group of sections and on higher Secretariat officers and it is probable that some of them will require more assistance in the shape of personal staff than has hitherto been allowed. Such assistance must be given if the effectiveness of the officers is to be increased and need not be confined to the provision of Stenographers only. We anticipate some reduction of ministerial officers' work if the proposed methods of working are adopted and accordingly it should be possible to provide the required assistance out of the existing strength of any Department, if necessary, after substituting staff of one grade for another. The exact extent of assistance required in any case should be decided by the Secretary of the Department.

27. We claim no originality for these proposals. Similar proposals have been made in the past but have not been acted upon. Unless Departments make a determined effort to put them into operation we fear that the advantages which we expect to accrue from them will not materialise.

28. These proposals will also result in the devolution of greater responsibility on the Superintendent. Many of the existing Superintendents, who would never have risen to the post in normal times, are incapable of performing these duties. It is essential that in order to secure the right type of officer for the new type of Superintendent, a proportion of posts in that grade should be filled by direct recruitment. It should be possible to secure a number of recruits to this grade immediately from—

- (a) members of the Imperial Secretariat Service,
- (b) temporary employees, particularly those recruited on the results of competitive examinations to Central Services, Class I, during the war, and
- (c) persons referred to in paragraph 11 (h) (ii) above.

(a) and (b) should provide 60 recruits each and (c) 25. In future years, recruitment to this grade should be made on the results of the Federal Public Service Commission competitive examination for Class I Services.

29. The proposed system of work requires that officers of the grade of Under Secretary and above should be able to grasp the subject-matter of a case readily and to decide quickly the course of action to be taken. If the system is to work successfully, the officers to fill these posts will have to be picked with the greatest care. We would commend this strongly to the single Selection Board which, we understand, is to replace the present Selection Board and the Establishment Committee.

30. In view of the important role which the new type of Superintendent ('Principal') will be called upon to play, it is of the utmost importance that appointments to this class of posts by promotion should be made with great care. We accordingly recommend that such promotions should also be made on the recommendations of the Selection Board.

31. It will be necessary in order to give effect to these proposals to strengthen the grade of Under Secretary and of Superintendent or 'Principal' by resorting to a considerable extent to direct recruitment of persons in categories (c), (g) and (h) mentioned in paragraph 10 above. We suggest for the consideration of Government that persons recruited to the grade of Principal should be placed in a Central Service Class I and paid in the junior scale and persons appointed as Under Secretaries paid in the senior scale. A number of recruits will be comparatively old and this point should be taken into consideration in fixing an officer's initial pay in the time-scale. We recommend that an officer's initial pay should be fixed on the basis that he was appointed to the time-scale on attainment of the age of 25.

Conclusion

32. Our proposals for meeting the deficiency created by the depletion of the ranks of the Indian Civil Service will not suffice to meet the present emergency as a gap of nearly 100 officers will still be left. No allowance has been made either for an expansion of the activities of the Central Government or the filling of vacancies which, in the higher age groups, will occur by retirement owing to superannuation or for reasons of health. While the number of the latter might not be considerable, expansion of Central activities might well be large. The resultant demand for man-power will not be limited to the lower ranks of the administrative hierarchy. For meeting present needs, the Government of India have explored, in consultation with the Federal Public Service Commission, ways and means of recruitment to the middle and higher ranks. Though recruitment was open to persons between the ages of 30 and 50, and candidates were required

to possess only two years' administrative experience, the yield of suitable personnel was disappointing; not more than 50 persons were recommended, and most of these were already in temporary Government employ. This experience does not encourage the hope that mere repetition of the demand will be more fruitful of supply. Nevertheless extra personnel is needed, and resort must be had to the open market to meet it. This brings to the fore two questions:

- (1) The rate of new recruitment; and
- (2) Methods of intensive training.

We have not had the time to find answers to these questions. We suggest that the Home Department, which already has a good deal of material bearing on (1) should be asked to examine both immediately and submit its recommendations to the Cabinet.

33. We shall be failing in our duty if we did not add that until additional trained personnel becomes available, Government would be well advised not to undertake new activities whose success depends upon the adequate provision of such personnel.

34. In conclusion, we wish to express our gratitude to our Secretary, Mr. Rao, whose ability, knowledge and industry have proved invaluable in the completion of our task.

G. S. BAJPAI, Chairman.

R. N. BANERJEE,

H. M. PATEL,

S. A. VENKATARAMAN,

V. K. R. MENON,

R. L. GUPTA,

*N. SUNDARESAN,

P. C. BHATTACHARYYA,

Members.

P. V. R. RAO,
Secretary.

August 10, 1947.

* Could not sign report as he left for U. S. A. before report was ready.

Summary of Recommendations

- (1) The Departments should be reorganized and the officer staff for each Department refixed as recommended in the Appendix to the Report.
- (2) The Central Government should try to secure from Provinces a number of suitable Provincial Civil Service officers for appointment to posts in the Secretariat. (Paragraph 15.)
- (3) Suitable retired officers with administrative experience should be recruited for Secretariat appointments. (Paragraph 16.)
- (4) A selection should be made in consultation with the Federal Public Service Commission of temporary employees and selected officers made available to the Selection Board for appointment to posts in the Secretariat. (Paragraph 16.)
- (5) The Audit and Accounts Sections of the Railways should be combined and placed under the Auditor General of India. Similarly the Military Accountant General's organization should be placed under the Auditor General of India. This is expected to release about 20 officers from the Audit and Accounts Services for appointment elsewhere. (Paragraphs 18 & 19.)
- (6) The emergency cadres of the Indian Audit and Accounts Service and the Superior Establishment of the Military Accounts Department should continue. (Paragraph 20.)
- (7) The method of work in the Secretariat should be reorganized as recommended in paragraphs 25—26 of the Report.
- (8) The 'Superintendent' should be replaced by a new type officer who may be designated 'Principal' and vested with power to dispose of routine work. Recruitment to this grade should be made immediately by strict selection from sources (e), (g) and (h) in paragraph 10 of the Report and in future through a competitive test held by the Federal Public Service Commission.
- (9) Promotion to the grade of 'Principal' should be made on the recommendation of the Selection Board. (Paragraph 30.)
- (10) Principals and Under Secretaries should be placed in Class I and paid respectively in the junior and senior scale of pay applicable to Central Services, Class I. Officers recruited from sources (e), (g) and (h) in paragraph 10 of the Report should have their initial pay fixed on the basis that they entered service at the age of 25. (Paragraph 31.)
- (11) Home Department should be asked to explore immediately possibility of increasing intake of recruits from the open market and of arranging intensive training with a view to increase the supply of trained administrative officers. (Paragraph 32.)
- (12) The possibility of replacing by officers of Under Secretary grade the senior officers of Deputy Secretary grade now employed as Private Secretaries to Honourable Members may be considered by Government. (Paragraph 23.)

APPENDIX

I. DEPARTMENTS OF AGRICULTURE AND FOOD

The staff requirements of the Departments of Food and Agriculture have been the subject of investigation only recently by a Committee specially appointed for the purpose and known as the Patel Committee. The Report of the Patel Committee has been considered and the Secretaries of the Departments were examined. The Committee does not consider it necessary to go into great detail over the same ground again. It endorses generally the conclusions arrived at by the Patel Committee. It recognises that so long as the food situation in the country continues to be as critical as it is at present the two Departments should remain separate, but it attaches great importance to the immediate unification of the Common Services in the two Departments; at present, these services are divided and involve waste of personnel and additional work in the Secretariat.

2. In the section of this report on the Finance Department we have recommended that these two Departments should be allocated to the same Finance Department officer for the purpose of financial advice. It is essential that the two Departments should be located together. The Committee also considers that the work connected with the disposal of food surpluses and with the purchase of items such as cigarette and tobacco, tea, coffee, etc., which is now being done under the control of the Food Department should be transferred along with the connected staff to the Industries and Supplies Department.

3. The Patel Committee's recommendations that food industries should also be transferred to the Industries and Supplies Department should be given effect to without delay. The Industries and Supplies Department will be able to manage all this extra work without additional superior staff and the Committee's proposals would result in the release of one Joint Secretary and one Deputy Secretary in the Food Department. In the Committee's view the Food Department Secretariat should for the time being consist of one Secretary, two Joint Secretaries, two Deputy Secretaries and nine Under Secretaries (including the Director of Rationing). For the purchase work connected with the controlled items such as foodgrains, sugar, vanaspati, etc., a Director with ex-officio Secretariat powers of an Under Secretary or a Deputy Secretary should suffice.

4. The Committee are of the opinion that the need for the retention of the offices of the Regional Food Commissioners should be reviewed. In any case, from the point of view of man-power, Indian Civil Service officers now in active service should not be employed in these posts but should be replaced so far as possible, by suitable retired men.

5. As regards the Department of Agriculture, the Committee recognise that the Department deals with a basic industry and that its activities are likely to increase. The Patel Committee took this fact into account in making their recommendations. The Committee agree that the existing staff in the Agriculture Department should not be reduced. The Attached and Subordinate Offices of the Department employ technical personnel and as the Committee are concerned with the administrative man-power they have no recommendations to make in regard to these offices. However, the Committee find that the Imperial Council of Agricultural Research employs two Indian Civil Service officers at present—one as Secretary and the other as Joint Vice-Chairman. The Committee feel that there is no justification for employing two such officers. With a suitable Secretary, drawn from the Indian Civil Service there should be no necessity for another Indian Civil Service officer as a Vice-Chairman.

II. CABINET SECRETARIAT

6. The staff of the Cabinet Secretariat consists of:—

- 1 Secretary,
- 1 Joint Secretary,
- 1 Deputy Secretary, and
- 3 Under Secretaries.

The main function of the Cabinet Secretariat, as the name suggests, is to prepare the Cabinet Agenda and its minutes, to keep its records, and to watch the progress made by the Departments of Government in implementing Cabinet decisions. This last function involves the calling of information from Departments. It is understood that the Cabinet will, in future, meet more frequently than it has done in the past. This will naturally add to the regular work of its Secretariat. In addition, the Cabinet Secretariat will have to continue to supply Secretariat assistance to Cabinet Committees. Taking all these factors into consideration, we feel that the Cabinet Secretariat will need a staff of—

- 1 Secretary,
- 1 Joint Secretary,
- 1 Deputy Secretary, and
- 2 Under/Assistant Secretaries.

7. The present Cabinet Secretary is also discharging the duties of the Establishment Officer who functions as Secretary of the Selection Board and the Establishment Committee. The Cabinet, it is understood, have under consideration proposals for replacing the present Selection Board and Establishment Committee by one body. We have, elsewhere, recommended that the functions of this new body or Selection Board should be enlarged. The Secretariatship of the Selection Board will, in our opinion, prove a whole-time job. We might, in passing, also remark that the post will have to be filled by a fairly senior officer. In the present context, we wish only to urge that it would be desirable to relieve the Cabinet Secretary of the functions of Secretary to the Establishment Committee and Selection Board as quickly as possible.

III. COMMERCE DEPARTMENT

8. The Commerce Department consists of a number of branches of which the following only need be considered for the purpose of this Committee's terms of reference:

- (i) Commerce Department Secretariat.
- (ii) Chief Controller of Imports and his Subordinate Offices.
- (iii) Chief Controller of Exports and his Subordinate Offices.
- (iv) Offices of the Indian Trade Commissioners.
- (v) Office of the India Supply Commissioner, London.
- (vi) Controller of Indian Shipping.
- (vii) Tariff Board.

9. The sanctioned strength of various kinds and grades of posts in these branches which are filled by officers with administrative experience is as follows:—

| | |
|---|---|
| Secretary | 1 |
| Additional Secretary | 1 |
| Joint Secretary | 3 |
| Deputy Secretary (excluding Private Secretary to the Honourable Member) | 5 |

| | |
|--|----|
| Under Secretaries, Secretary Indian Accountancy Board and ex-officio Under Secretary and Assistant Secretaries | 12 |
| Officers on Special Duty | 7 |
| Trade Commissioners and Deputy Trade Commissioner, London (usually drawn from the Services) | 11 |
| India Supply Commissioner and Deputy India Supply Commissioner | 2 |
| Chief Controller of Imports | 1 |
| Joint Chief Controller of Imports | 1 |
| Deputy Chief Controller of Imports | 6 |
| Chief Controller of Exports | 1 |
| Deputy Chief Controller of Exports | 2 |
| Export Trade Controllers, Bombay and Calcutta | 2 |
| Controller of Indian Shipping | 1 |
| Tariff Board | 2 |

10. The Committee are of the opinion that the strength of the Secretariat of the Commerce Department can be considerably reduced. The Department has been running for some time without any Additional Secretary. A number of items of work pertaining to the Department has come to an end. There is no control of Enemy Trading now; work in connection with United Nations Relief and Rehabilitation Administration also must be in its closing stages; War Risk Insurance is gone; establishment work in connection with Trade Commissioners has been transferred to the External Affairs Department. Again, the procedure for issuing Import and Export licences is now established. The questions of policy regarding imports and exports cannot arise from day to day. It should therefore be possible now to combine Export and Import Control at the top. Further, the Chief Controller of Exports and Imports will have the ex-officio status of a Joint Secretary and should be able to deal with such questions without much assistance from the Secretariat.

11. The Committee therefore think that the strength of the Commerce Department Secretariat should be reduced to the following:

| | |
|--|----|
| Secretary | 1 |
| Joint Secretaries | 2 |
| Chief Controller of Imports and Exports (ex-officio Joint Secretary) | 1 |
| Deputy Secretaries | 3 |
| Under Secretary, Assistant Secretary including the Secretary Indian Accountancy Board and Officers on Special Duty | 12 |
| Deputy Chief Controllers of Imports | 4 |
| Deputy Chief Controllers of Exports | 2 |

In addition the posts of Deputy Chief Controller of Imports at Calcutta and Bombay should be amalgamated with the posts of Export Trade Controllers at those places. The detailed distribution of work amongst these officers must be left to the Department. Broadly speaking however one Joint Secretary will look after the Shipping side and the other the Trade and Commerce side. The Chief Controller of Imports and Exports will deal with the Secretary direct. Of the three Deputy Secretaries, one would be for the Shipping side, the other two would divide the rest of the important work between them.

12. In this section of the Report the Committee do not propose to deal with the strength of Trade Commissioners. These officers will in future form part of the Indian Foreign Service and the question is dealt with in the part of the Report concerned with the External Affairs and Commonwealth Relations Department.

13. The Committee however recommend that the India Supply Commission in London should be abolished immediately. Its work can be taken over by the Director General, Indian Stores Department, London, without any difficulty.

14. As regards the Controller of Indian Shipping, the Committee recognises the importance of the duties of the post. They consider however, that in the present circumstances the post cannot provide a full-time job. The Committee accordingly recommend that the possibility of entrusting the duties of the Controller of Indian Shipping to some other Central Government officer, to be performed in addition to the latter's duties, should be explored. If this proves feasible, one officer of the Indian Civil Service can be released for other work.

15. Till recently, there was one officer of the Indian Civil Service working as a Member of the Tariff Board. Another Secretariat officer was working as its Secretary. Both these officers have now been released for Secretariat appointments. The Committee appreciate that the field of selection for a body like the Tariff Board must be as wide as possible. But they suggest that, provided the best man is not ruled out on this ground alone replacement for the post of Member held by a member of the Indian Civil Service should be found from non-official sources. As regards the Secretary, it is important that he should be recruited from a source which makes interchangeability with the Secretariat possible.

IV. DEVELOPMENT BOARD

16. This Board has, we understand, not met for some time. Whether it will be continued or replaced by a new Planning Organization is not yet known, but it is assumed that this question will be one of the first to engage the attention of the new Government. Until a decision has been reached, we recommend that the present Secretariat staff of the Board should be retained.

V. EDUCATION DEPARTMENT

17. The Education Department has drawn its officers from persons with teaching experience. There is only one Indian Civil Service officer now serving the Department as Private Secretary to the Honourable Member (Education). The Secretary, Education Department, explained that all their development schemes were important and there are no activities which can be slowed down or postponed. As this Committee are primarily concerned with the reorganisation of the Secretariat so as to economise in the use of administrative man-power and the Education Department agree that no demand on administrative man-power will be made, no modifications in the structure of the existing Education Department is recommended.

VI. EXTERNAL AFFAIRS AND COMMONWEALTH RELATIONS DEPARTMENT

18. The external Affairs Department had earlier planned to fill up, during 1947, a total of 180 posts both at Headquarters and abroad. A Committee of Secretaries presided over by Sir Girja Shankar Bajpai had also made a provisional selection of 70 odd officers from the permanent Services to man a number of these posts. In view of the extreme shortage of officers, the External Affairs Department has re-examined the matter and come to the conclusion that some of these commitments could be postponed to a later date. As a result of this

examination the immediate requirements of the Department have been shown in a revised statement placed before the Reorganization Committee and the summary of requirements is as follows:—

| | | | | |
|--------------------------------------|-----|-----|-----|----|
| Posts equivalent to Joint Secretary | ... | ... | ... | 8 |
| Posts equivalent to Deputy Secretary | ... | ... | ... | 14 |
| Posts equivalent to Under Secretary | ... | ... | ... | 11 |
| | | | | 33 |

As soon as the Federal Public Service Commission have been able to consider the applications from temporary Government servants and from the public now before that body, the External Affairs Department propose to fill up some of the remaining posts with candidates from that list.

19. Trade Commissioners will, hereafter, form part of the Indian Foreign Service. Out of 11 such posts which the Department of Commerce consider it necessary to maintain, only three are filled at present, and only one of these is held by a Service man. There has been a public demand, especially from the Indian commercial community, that recruitment to fill these posts should be made from the business community. The Commerce Department have tried to work on this suggestion, though not always with happy results. It is in India's own interests that her commercial representatives abroad should be men of high efficiency. It is obvious, therefore, that only qualified persons should be selected to fill these appointments. For this reason, the Committee do not recommend the exclusion of qualified Service men from these posts. In view, however, of the present inability of the Services to meet all the demands that may be made on them, the changes brought about in foreign trade conditions by the war and the decision to open Consultates in many foreign countries, it is recommended that the necessity of continuing Trade Commissioners in all the places where they are now located should be reviewed by Government.

VII. FINANCE DEPARTMENT

20. The Department consists of the following branches:—

1. Revenue Division (Central Board of Revenue).
2. Financial Commissioner (Railways).
3. Financial Adviser, Military Finance, including Additional Financial Adviser, Industries and Supplies.
4. Financial Adviser (Communications).
5. Establishment Division (including Central Pay Commission Branch).
6. Planning Division.
7. General Expenditure Division.
8. Finance (Currency and Exchange) Division.
9. Budget Section.
10. Examiner of Capital Issues.
11. Crown Finance Officer.
12. Commodities Prices Board.
13. Economic Adviser.
14. Financial Adviser to the Chief Commissioner, Delhi.

21. The Committee have no comments to make in regard to the organisation of the Financial Commissioner (Railways)—(No. 2) or the Financial Adviser to the Chief Commissioner, Delhi (No. 14). They understand that the post of

Examiner of Capital issues (No. 10) has now been abolished. As regards the organisation of the Financial Adviser, Military Finance, (No. 3), the administrative consequences of the establishment of a Joint Defence Council are not yet clear. The Committee are, therefore unable to submit detailed recommendations regarding this branch at this stage. They however recommend that Supply Finance should be separated from Military Finance. Further, when the new administrative set-up of the Joint Defence Council has been decided, the need for continuing the Coordination Section created during the war and for the three posts of Additional Financial Advisers should be carefully reviewed. *Prima facie* the Committee feel that there should no longer be any need for a Co-ordination Section at all and that not more than one Additional Financial Adviser would be justified.

22. The Central Board of Revenue consists of—

- 1 Chairman
- 2 Members
 - 1 Secretary who is of Deputy Secretary's status
 - 4 Secretaries of Under Secretary's status, and
 - 1 Assistant Secretary.

The two Members of the Board have the status of Additional Secretary while the Chairman has the pay and status of a Secretary to Government. The Members of the Board and the Chairman are in independent charge of the different departments which are under the control of the Board. There cannot be many problems which require day to day co-ordination between these different departments and such as arise can be sufficiently looked after by reverting to the old system of having three Members of equal status designated Member I, Member II, etc., in order of seniority, Member I being recognised as the Co-ordinating authority. The Committee therefore recommend that the post of Chairman should be abolished and replaced by that of an ordinary Member. This would have the effect of releasing one senior officer of the standing of Secretary for other employment as he would be replaced by a less senior officer.

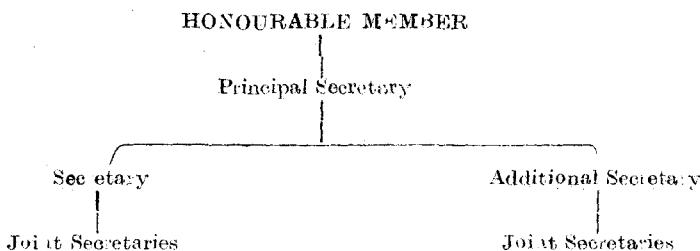
23. The Committee also consider that the number of Pool officers employed under the Central Board of Revenue can be reduced. One officer has for some time been placed on special duty in connection with the proposed Income-tax Evasion Enquiry Tribunal. It is unnecessary to have a Pool officer for this purpose and the officer should be released immediately. A departmental expert could do this work equally well. Similarly, a Pool officer has been employed in the past as Director of Inspection (Income-tax). This work also can be done efficiently by an experienced departmental officer. The Committee recommend that no Pool officer should be appointed to this post which is lying vacant. The effect of these recommendations will be to make two Pool officers available for other more important work.

24. The total sanctioned strength of the rest of the Department (Nos. 4-9, list on page 37) including Supply Finance is as follows:—

| | |
|--|----|
| Principal Secretary | 1 |
| Secretaries, Additional Secretaries and officers of that status | 2 |
| Joint Secretaries and officers of that status | 6 |
| Joint Financial Advisers, Deputy Financial Advisers, and Deputy Secretaries including Private Secretaries to the Honourable Member (Finance) and Principal Secretary | 27 |

| | |
|---|----|
| Under Secretaries, Assistant Financial Advisers and Assistant Secretaries including Additional Private Secretary to the Honourable Member (Finance) | 31 |
| Economic Adviser and his staff | 4 |
| Members of the Commodities Prices Board | 2 |
| Secretary of the Commodities Prices Board | 1 |

25. It must be recognised that the Finance Department has to discharge a variety of functions in relation to the activities of all Departments of the Government of India, and must, therefore, be adequately staffed. Its officer strength cannot, be compared in the ordinary way with the officer strength of any other administrative department. The Committee, however feel that the staff employed at present in the Department is excessive. The activities of the Planning, Expenditure, Establishment and the Supply Finance Divisions overlap to a degree and result in duplication of work. The organisation of the Department at the highest level is represented as in the following chart:



It will be seen that two senior officers intervene between the Joint Secretary and the Honourable Member, while in the other Departments, the Joint Secretary usually deals directly with the Honourable Member. The Committee are of the opinion that the present practice in the Finance Department lowers the sense of responsibility of the Joint Secretaries and results in waste of man-power. Some administrative departments of Government also hold the view that, in spite of the present elaborate organisation, there is not the same close association between them and the Finance Department as obtains in those administrative departments to which a Financial Adviser is attached, and the result is not only delay in the disposal of business but waste of man-power in the administrative departments due to noting and drafting which could be avoided if there were more effective liaison between them and the Finance Department.

26. The Committee feel that with the anticipated expansion of Government activities in many departments in connection with planning and reconstruction, the present set-up of the Finance Department will require modification. One suggestion made before the Committee was that the system of "Financial Advisers" should be abolished and that all matters requiring financial scrutiny and sanction should be dealt with in the Ordinary Branch as in pre-war days. It is claimed that this would ensure better financial control and fuller co-ordination. The Committee fully recognises the need for strict financial control but is of the opinion that pre-war methods of exercising such control from a distance—and in compartments—will not suit the present circumstances. Speed of action will remain as important as it was during the war and the success or failure of development programme will depend upon the speed with which financial decisions are taken. It will be increasingly necessary, therefore, for the Finance Department to associate itself more closely with the work of the administrative Departments. It must give guidance and advice

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to a spending department from the earliest stages of a scheme. It seems to the Committee that this is the only manner in which the enormous task facing the Government can be performed with minimum use of manpower and maximum expedition. While therefore the Committee attach no great importance to the designation "Financial Adviser", they are definitely of the view that the essence of that system must be preserved and extended.

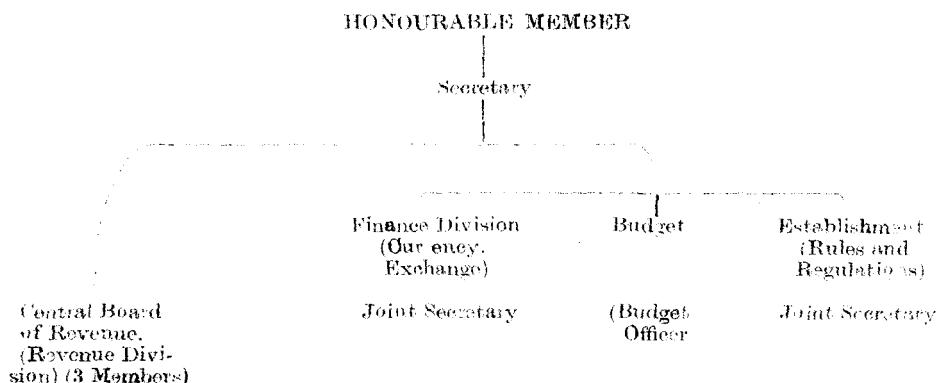
27. In the Committee's view, the functions of the Finance Department, so far as the control of expenditure is concerned, fall naturally into three sections:—

First: there is the day-to-day scrutiny of proposals for establishment and other expenditure with a view to avoid extravagance and to ensure value for money proposed to be spent.

Second: the Finance Department is responsible for prescribing general rules and regulations regarding pay, pensions, allowances, etc., which have an overall application to all sanction of expenditure.

Third: the Finance Department is responsible for the provision of funds for such schemes as may be approved. Since it may be assumed that funds available will be limited, this will also involve the allocation of priority as between different schemes. The Committee recommend that while the second and third part of the functions may continue to be exercised by officers of the Finance Department on a functional basis, the first part should be exercised by officers, each one of whom will be placed in direct relationship with a Department or group of Departments. This was the practice in respect of major spending Departments before the war—it was extended during the war to the Departments of Supply and Food. The Committee recommend further extension of the same practice to all Departments of Government.

28. On this basis, the organisation of what may be called the main branch of the Finance Department will be as follows:—



In addition and besides the Financial Commissioner (Railways) and Financial Adviser, Military Finance, there should be the following officers:—

- (1) Joint Secretary (Works and Supply Finance)—responsible for the Departments of Industries and Supplies, Works, Mines and Power, Labour and Commerce.
- (2) Joint Secretary (Food and Agriculture Finance)—responsible for the Departments of Food, Agriculture, Education, Health and External Affairs and Commonwealth Relations Department.

- (3) Joint Secretary (Communications Finance)—responsible for the Departments of Transport, Communications, Information and Broadcasting, Home, Legislative, Legislative Assembly and Cabinet Secretariat.
- (4) Joint Secretary (States Department)—responsible for the States Department.

The Departments allotted above to each Joint Secretary may be capable of re-arrangement, but the essence of the scheme is that for each Department there should be an accredited Finance Department officer who will have the status of a Joint Secretary so that the Secretary of the administrative department may rely upon him to give in, say, 9 cases out of 10, the final answer of the Finance Department. The Committee do not agree to the view advanced before it that officers of the status of Deputy Secretaries working under a Joint Secretary sitting in the main Finance Department should be accredited as Financial Advisers to the Departments. Such a system will tend to keep the Joint Secretary out of the administrative picture and will nullify the whole object of the scheme. The Joint Secretaries will no doubt have Deputy and Under/Assistant Secretaries under them but the important point is that the Joint Secretary will be accredited to other Departments and not an officer of the lower status. We have provided for a post of Joint Secretary to be in sole charge of the States Department as we understand that in the immediate future that Department will be faced with many complex financial problems which will require the assistance of a high powered officer. The work is of a temporary nature and the necessity for the post should be reviewed after one year.

29. The Committee visualize that all expenditure proposals of any Department including proposals for establishment would go to the Joint Secretary accredited to that Department. The latter will not sanction any departure from the rules and regulations prescribed by the Establishment Division without consulting that Division nor will they sanction expenditure in excess of that provided for in the budget without consultation with the Budget Section. They will also be responsible for co-ordinating their activities with each other. All schemes scrutinized and accepted by these Joint Secretaries will compete for funds once a year and their inclusion in any year's budget will be a matter for decision by the Cabinet. Under such a system while the main branch of the Finance Department will exercise the fullest control over total expenditure, the day to day co-ordination of the activities of the Joint Secretaries accredited to the Departments will not be necessary except *in a very general way*. This will be provided by the "Honourable Member's Meeting" which appears to be a regular feature of the Department's work. These Joint Secretaries should also be required to submit fortnightly reports of the main events for the Honourable Member's and Secretary's information. In order to make the system work with maximum efficiency, it will be necessary to locate the Joint Secretary in close proximity to his Department or Departments. The Committee consider that the inconvenience involved in re-allocating accommodation on this basis would be well worth while and that such re-allocation should be taken up at once.

30. The Committee have considered in detail the question whether the post of Principal Secretary in the Department is necessary. The foregoing explanation of future method of working will show that there will be no need for the post of Principal Secretary for purposes of co-ordination. As already observed the post has, in practice, provided an unnecessary additional screen between the Joint Secretary and the Honourable Member. It has been suggested that the post is required so that the Honourable the Finance Member may get a second opinion on the many intricate problems that arise in the Finance

Department. The Committee are doubtful if it would be possible in practice to obtain for the post an officer with such varied knowledge and experience as would enable him to give better advice to Honourable Member on such varied subjects as Currency and Exchange, Revenue and Taxation, Tariffs, Expenditure schemes of all Departments of the Government of India, etc., than he could obtain from the head—generally a Joint Secretary of the Divisions concerned. The Committee therefore have come to the conclusion that the retention of this post is not necessary.

31. The Committee have not investigated the question of reorganizing the Economic Adviser's staff or the necessity for retention of the Officers on Special Duty in the Department, as this does not absorb any administrative man-power. They however recommend that the need for continuing the existing strength of officers should be reviewed by the Department at an early date.

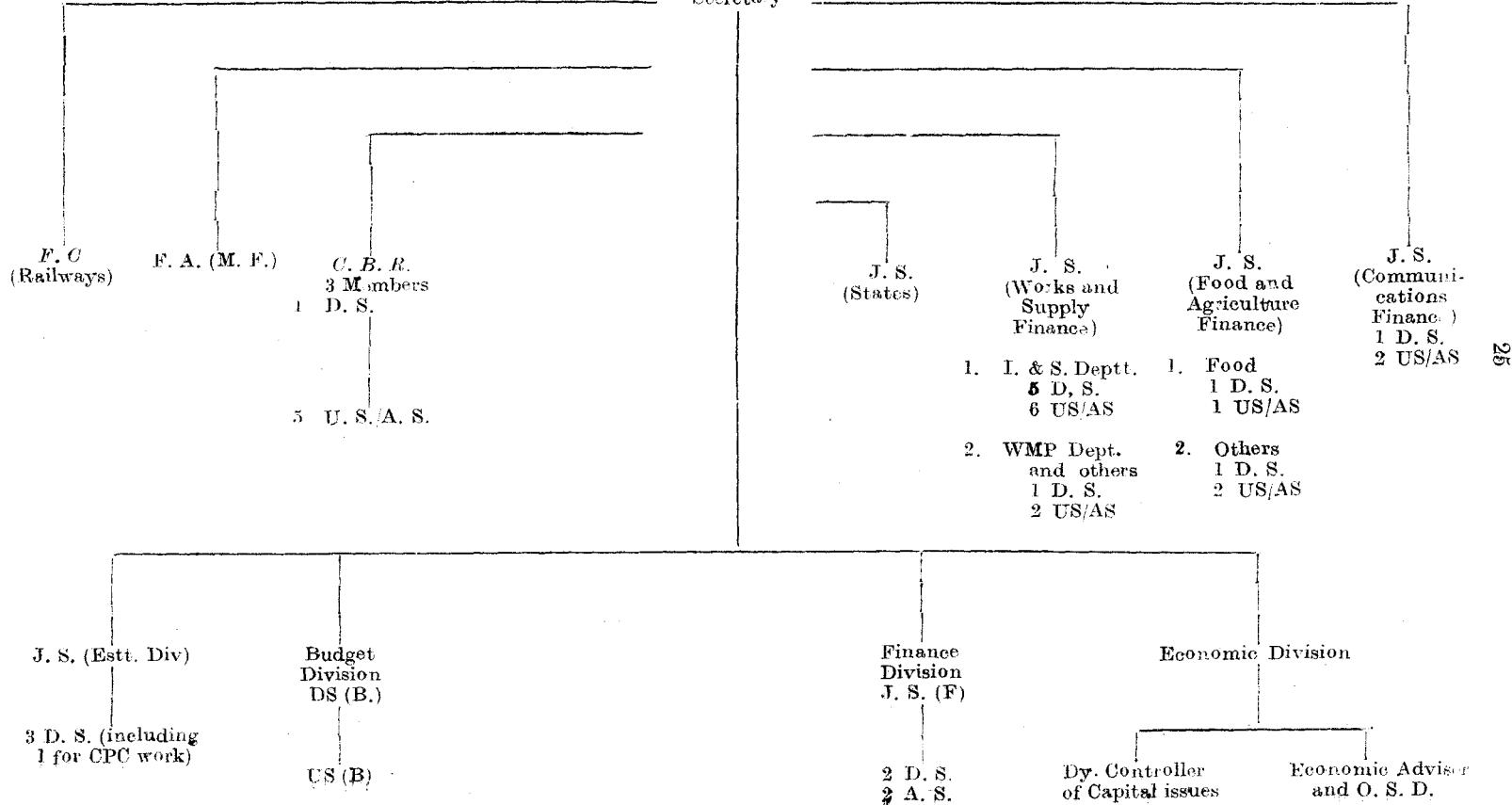
32. The Commodities Prices Board recently established by the Finance Department has as its Chairman an Officer of the Indian Civil Service. It also had an Indian Civil Service Secretary who has now gone to Pakistan. In view of the important nature of its work the Committee recommend the continuation of the Board but consider it unnecessary to replace the Secretary by an Indian Civil Service officer.

33. The Committee wish to add one further recommendation. Until recently the practice was that establishment proposals of the Finance Department required the sanction of the Home Department. The Committee recommend that this practice should be restored; it will serve as a salutary check on the expansion of the Finance Department's staff.

CHART SHOWING THE PROPOSED LAY-OUT OF THE FINANCE DEPARTMENT

HONOURABLE MEMBER

Secretary



VIII. HEALTH DEPARTMENT

34. This Department at present consists of one Secretary, one Joint Secretary, 2 Deputy Secretaries and 3 Assistant Secretaries. With the abolition of the Indian Medical Service there should be some reduction of work in the Department. But it will be the responsibility of this Department to implement the recommendations of the Bhore Committee. The Secretary, Health Department, considers that no development scheme or other post-war development activities could be slowed down, postponed or abandoned. On the other hand, the Department proposes to embark on a definite expansion of its activities. The Committee have carefully considered the views of the Secretary, Health Department, and are of the opinion that a staff of one Secretary, 2 Deputy Secretaries and 3 Assistant Secretaries should be able to cope with the work in this Department.

IX. HOME DEPARTMENT

35. The Home Department work can be broadly divided into two parts—Services and Law and Order. The partition will give rise to many Service problems of great complexity and the Home Department will, therefore, be faced increasingly with work which from its very nature cannot be postponed. The question of *security control* (i.e. control of movement of undesirable persons from adjacent territories into India) will also assume importance with the partition of the country.

The existing staff of the Home Department consists of—

- 1 Secretary,
- 1 Joint Secretary,
- 3 Deputy Secretaries, and
- 5 Under/Assistant Secretaries.

Of these posts, 2 posts of Deputy Secretary are vacant. The Secretary, Home Department, is willing, in view of the present acute shortage of man-power, to hold one of these two posts in abeyance. It would not be possible to dispense with any post of Under/Assistant Secretary. The Committee agree.

36. With effect from the 15th August 1947 the Secretariat of the Governor-General (Public) is going to be abolished and the work handled in that Secretariat will devolve on the Home Department. It will be necessary for the Home Department to be provided with one Under Secretary for the work that will thus be transferred to it.

37. The Home Department is in general administrative control of the Chief Commissioner's Provinces of Delhi, Ajmer-Merwara, Coorg, Andamans and Panth-Piploda. The administration of these Provinces will require the following officers who should all be men with administrative experience:

| | Chief Com- missioner. | Deputy Commissioner. | Secretaries to Chief Commissioner. |
|---------------------------|--------------------------|-------------------------|--|
| Delhi | 1 | 1 | 4 |
| Ajmer-Merwara | 1 | 1 | 2 |
| Coorg | 1 | .. | .. |
| Andaman-Nicobar | 1 | 1 | 1 |
| Panth-Piploda | .. | .. | .. |

X. INFORMATION AND BROADCASTING DEPARTMENT

38. The Information and Broadcasting Department was created for the first time in the year 1942 by transferring to it, the Director-General of Information from the Home Department and the All-India Radio from the old Communications Department. Its sanctioned Secretariat strength is as follows:

- 1 Secretary,
- 2 Deputy Secretaries, and
- 3 Under Secretaries.

We considered the possibility of amalgamating this Department with the Home Department. In view, however, of its importance as an instrument of popular education in a democratic State, the Department will need the guidance of a man of broad vision, energy and administrative capacity. Such a person is neither likely to be attracted to the headship of the organisation or to have full scope for his capacity unless he has the status of a Secretary. Our conclusion, therefore, is that it should continue as a separate Department. But we would emphasise, that for this Secretaryship a man of special attitude will be needed. In our opinion, the best man available should be chosen and the post should not be regarded as reserved for the member of any Service. We consider that in addition to the Secretary, the Department should be provided with one Deputy Secretary and two Under Secretaries.

XI. DEPARTMENT OF INDUSTRIES AND SUPPLIES

39. The sanctioned superior posts in this Department are:

- 1 Secretary,
- 4 Joint Secretaries,
- 7 Deputy Secretaries, and
- 16 Under/Assistant Secretaries.

The Committee recognise that the field of activity and responsibility of the Industries and Supplies Department will continue to be as wide and as important as hitherto. In fact, the probabilities are that the Central Government will, in the future, exercise greater control and coordination of industry. Positive action to develop industry has scarcely begun. For these reasons it would have been desirable if there had not been a serious shortage of personnel, to maintain the Department at something like its present strength. The Committee feel, however, that the scarcity of officers is so serious that, at the moment, it will be possible to take into account only current requirements. The Committee, therefore, recommend the abolition of one of the four posts of Joint Secretaries. When Government factories, of which there is only one at present, namely, the Hindustan Aircraft, Limited, increase, this fourth post of Joint Secretary will probably have to be revived.

40. The Committee recommend the abolition of three out of seven posts of Deputy Secretaries. In place of twelve Under/Assistant Secretaries and one Officer on Special Duty (Planning), in the main Secretariat there should be six Under/Assistant Secretaries.

41. The posts of one Under Secretary and two Assistant Secretaries in the Branch Secretariat attached to the Textile Commissioner's Office are necessary and should continue.

42. Indian Civil Service officers now hold the posts of Director-General (Industries and Supplies) and Textile Commissioner. It is the view of the Committee that both the nature of the work and the responsibility attaching to these posts necessitate retention of the present arrangement.

XII. LABOUR DEPARTMENT

43. Originally the Labour Department included the present Department of Works, Mines and Power. After very careful consideration it was decided in 1946 to create a separate Labour Department. The Secretariat of the Department consists of:

- 1 Secretary,
- 1 Joint Secretary,
- 3 Deputy Secretaries and
- 4 Under/Assistant Secretaries.

Its function is to deal with labour problems, both domestic and international. In the domestic field, one important task which the Department had to undertake immediately on the cessation of hostilities was the setting up of the Directorate-General of Resettlement and Employment. Though primarily intended for ex-Servicemen, Provincial Governments have shown a growing tendency to open the Employment Exchanges and Training Centres established under the control of the Directorate-General to other categories of Government servants and even to outsiders. The number of Employment Exchanges is 68 and of technical and vocational training centres nearly 160, scattered all over the new Dominion of India. The administration of the Employment Exchanges etc. vests in a Director-General, who has the status of a Joint Secretary, two Deputy Secretaries and six Under/Assistant Secretaries.

44. The Committee have considered the possibility of reduction of posts both in the Main Secretariat and in the Directorate-General of Resettlement and Employment. In the opinion of the Secretary of the Department, who is also a member of the Committee no reduction in the strength of officers in the Main Secretariat is possible. We examined the question whether the post of Joint Secretary could either be abolished or replaced by that of a senior Deputy Secretary. In view, however, of India's active participation in the work of the International Labour Organisation—she is a member of the Governing Body which alone meets four times a year, and there are other *ad hoc* conferences—either the Secretary or the Joint Secretary has to be out of India for an aggregate period of several months every year. In the absence of one of these officers, the entire responsibility for the supervision of the work of the Department falls on the officer who is left behind. This responsibility cannot be entrusted to an officer of lower status than Joint Secretary. The Committee, therefore, accept the view of the Department that the post of Joint Secretary has to be retained.

45. The Secretary of the Department also argued against any reduction in the number of posts of Deputy and Under/Assistant Secretary on the ground that, apart from work connected with international labour conferences, the Department, especially in recent years, has had to undertake much legislation in the interests of Indian labour. Considering the importance of ameliorating the working conditions of the Indian worker as part of any national programme of social and economic uplift, we hesitate to recommend a reduction in staff which might retard this process. On the other hand, the advisability of crowding the statute book with labour laws which, for one reason or another, cannot be applied, is open to doubt. If this consideration should slow up the legislative programme of Government in relation to labour, we would recommend that the question of reducing the number of Deputy or Under/Assistant Secretaries in the Secretariat of the Department should be re-examined.

46. The Committee also examined the possibility of reduction in the senior administrative staff of the Directorate-General of Resettlement and Employment. One post of Deputy Secretary in the Directorate-General is

vacant and the Secretary, Labour Department, is willing not to fill it. He is also willing to reduce the posts of Under/Assistant Secretary by two. As regards the other posts, so long as the Centre continues to retain responsibility for the functions now performed by the Directorate-General, it is difficult to see how any other reduction of staff can be effected. What might be considered is whether, in view of the fact that both resettlement and training have to be done in the Provinces, this activity should not become the primary concern of Provincial Governments, the Centre retaining to itself the functions of co-ordination which could probably be performed by the Secretariat without an appreciable increase in the superior grades of the staff. Such a change would have the effect of releasing seven administrative officers for other work at the Centre.

III. TRANSPORT DEPARTMENT

47. The Transport Department at present deals with road transport, inland water transport and allied subjects. There is also a separate Railway Department with a Chief Commissioner at its head who is *ex-officio* Secretary to Government with direct access to the Member in Charge of Department. The staff of the Transport Department proper consists of:

- 1 Secretary,
- 3 Deputy Secretaries, and
- 10 Under/Assistant Secretaries.

The Committee consider, and the Secretary, Transport Department agreed, that it is desirable to place all transport subjects in one Department. This would result in the transfer of the Directorate-General of Civil Aviation (and the Indian Meteorological Department which, to a considerable extent, subserves the needs of Civil Aviation) from the Communications Department to the Transport Department. If the proposal is accepted, the only work that will remain in the Communications Department will be administrative control over the Posts and Telegraphs Department and of the Railway Inspection Organisation. A separate Department for this purpose would not be justified. The Secretary, Transport Department, while of the opinion that it was not essential that the Posts and Telegraphs Department should be in the Transport Department, is agreeable to take over that Department too if it could not be conveniently fitted in in any other Department. The Committee recommend that the Posts and Telegraphs Department should be located in the Transport Department and the Department re-named Department of Communications. The Railway Inspection Organisation may also be taken over by the reconstituted Communications Department.

48. The Director-General, Posts and Telegraphs, has, as already observed, direct access to the Member in Charge and the Committee consider that this system should continue and that he should be given *ex-officio* Secretarial status. The Directorate-General of Civil Aviation was, till recently, in-charge of a technical person. It is doubtful whether the Government of India would be able to secure, in the near future, an officer with the requisite technical and other qualifications capable of filling this post and it seems inevitable to the Committee that for some time to come, the Directorate should be in charge of a senior administrative officer. If this be done, the Committee recommend that, in the present shortage of man-power, it would be conducive to efficiency if the Director-General of Civil Aviation were given *ex-officio* Secretariat status.

49. For the combined Transport and Communications Departments the Committee recommend a staff of one Secretary, two Deputy Secretaries and six Under Secretaries. One more post of Deputy Secretary was asked for by

the Secretary, Transport Department, for the post of Secretary, Central Transport Board. The Committee recommend that this Board should be presided over by the Member in Charge and the Secretary of the Transport Department should be its *ex-officio* Secretary. It should be sufficient to provide the Secretary with the assistance of an officer of the grade of Under Secretary to assist him in the work of the Central Transport Board.

XIV. DEPARTMENT OF WORKS, MINES AND POWER

50. This Department was originally part of the Labour Department but was separated from it in April, 1946. It has a sanctioned strength of 1 Secretary, 1 Joint Secretary, 4 Deputy Secretaries and 7 Under/Assistant Secretaries. We recognise that this Department will have a large part to play in development schemes, both Central and Provincial, especially in the field of irrigation and electrification. We have not thought it desirable, therefore, to recommend any reduction in the staff. At the same time, it is our view that the staff is adequate to deal with an expansion of its activities though it is impossible to determine now with how much. Future requests for an increase of the staff from Under/Assistant Secretaries upwards will need careful scrutiny.